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Viewing cable 07ISLAMABAD4086, PRIME MINISTER TELLS NEGROPONTE: NO MORE F-16

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Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

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Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#07ISLAMABAD4086**.

Reference ID	Created	Released	Classification	Origin
07ISLAMABAD4086	2007-09-21 10:14	2011-08-30 01:44	CONFIDENTIAL	Embassy Islamabad

Appears in these articles:

<http://www.ndtv.com/video/player/news/wikileaks-us-cables-expose-pak-f-16s-image-problem/201017>
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RUEHNO/USMISSION USNATO PRIORITY 2990
RUEKJCS/SECDEF WASHINGTON DC PRIORITY
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RUEAIIA/CIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 ISLAMABAD 004086

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SUBJECT: PRIME MINISTER TELLS NEGROPONTE: NO MORE F-16
PAYMENTS, READY TO RE-OPEN INVESTMENT TREATY TALKS

Classified By: Anne W. Patterson, Reasons 1.4 (b), (d)

11. (C) Summary: During a September 14 meeting with Deputy Secretary of State John Negroponte, Prime Minister Shaukat

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Aziz voiced his government's frustration with what Pakistan perceives as changes in the terms of sale of U.S. F-16s to Pakistan. Aziz said that unless the U.S. changes some of its current provisions, Pakistan will stop payment for breach of contract. Citing the importance of creating jobs in the tribal areas, Aziz also pressed for inclusion of categories 347 and 348 in the Reconstruction Opportunity Zone legislation. Acknowledging that this may not be possible, Aziz agreed to do his part to re-energize bilateral investment treaty talks as an alternative way to spur U.S. investment in Pakistan. On the political front, Aziz emphasized Pakistan's commitment to free and fair elections and to using a holistic approach to the mitigate security and development problems in the tribal areas. Aziz also requested U.S. assistance in rebuilding Pakistan's "trust deficit" with Afghanistan and in helping Pakistan meet its growing energy needs. End Summary.

F-16s: The U.S. Keeps Moving the Goal Posts

12. (C) On September 14, Prime Minister Shaukat Aziz met with Deputy Secretary of State John Negroponte, Assistant Secretary for Central and South Asian Affairs Richard

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Boucher, Coordinator for Counterterrorism Dell Dailey, and the Ambassador. Aziz asked for Negroponte's help in enlisting "serious high level attention" to the terms of sale of U.S. F-16s to Pakistan. Pakistan's Air Force feels that U.S. requirements for mid-life upgrades outside of Pakistan and crypto keys for the aircraft amount to new requirements not envisioned in the original contract. "The goal posts have moved," Aziz said, and if the U.S. does not reconsider its requirements, Pakistan will consider the U.S. to be in breach of contract and will discontinue payments. Aziz added that Pakistan's Air Chief Marshal is traveling soon to Washington to try to resolve the issue.

13. (C) Negroponte replied that he understood the long history behind the F-16 sale and that the United States wants to make this deal work -- perhaps by working with Pakistan on determining which country would be acceptable to complete the mid-life upgrades.

Negroponte: Investment Treaty More Feasible Than
Textile Exemptions to Generate Jobs in Tribal Areas

14. (C) Aziz thanked Negroponte for U.S. support of Pakistan's multifaceted approach to mitigating the security and development problems in the Federally Administered Tribal Areas. Aziz said that the biggest return on dollars spent in the tribal areas will be through the planned U.S. Reconstruction Opportunity Zones (ROZs), which will provide jobs for youth who would otherwise be vulnerable to the influence of extremist rhetoric.

15. (C) Aziz welcomed progress toward introducing the legislation to Congress, but said that the key to success will be in attracting investors once the legislation is in place. Inclusion of category 347/348 textiles (cotton trousers) in the ROZ legislation would immediately attract ROZ investment, Aziz said. Negroponte replied that inclusion of 347 and 348 would be difficult, but it is still possible

to attract U.S. investment by finalizing a bilateral investment treaty.

¶6. (C) Aziz said that Pakistan still has serious concerns whether Pakistan can conclude a bilateral investment treaty with the U.S., and that there is little political will to do so right now. However, if the U.S. is interested in re-starting talks, Pakistan is willing to do so. Aziz suggested that the first step would be for the U.S. to set a date for a video teleconference between U.S. and Pakistani officials and, if progress is made, face-to-face negotiations

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could resume.

Pakistan Committed to Fair Elections and
Making Tribal Areas More Secure, Developed

¶7. (C) Aziz said that the government is keen to ensure fair elections, since no subsequent government would have the moral authority to govern without them. The cabinet just unanimously supported having the current assemblies elect the next president, Aziz said, because the Pakistan Muslim League believes that if Musharraf is re-elected their party will receive a 10-15 percent boost at the polls in the upcoming general elections. Aziz declined to go into detail about whether/when President Musharraf intends to remove his uniform, but said that he is hopeful that the Supreme Court -- which has become "intrusive and aggressive" lately -- will not interfere with upcoming elections and will let the ballot box decide who should govern next. Negroponte said that the U.S. is watching Pakistan's evolving political landscape with great interest, and that we have an interest in Pakistan's stability and political evolution.

¶8. (C) Aziz said that Pakistan is committed to eliminating terrorism. "We do not want Pakistan to be used as a sanctuary," Aziz said. The government has to strike a balance in securing the tribal areas, he said. People who live there respect the power of the gun, but they also need to be provided with an alternative way to live so that young, unemployed men are not influenced by militants. The cabinet's recent decision to launch a crash project to build schools in 10 target areas will be one way of addressing this problem, Aziz said. The schools would provide free books, meals and a monthly stipend, and will provide an alternative for parents who otherwise would have no choice but to send their children to madrassas (religious schools) that may be teaching violent extremist rhetoric. Negroponte acknowledged Pakistan's commitment to eliminating terrorism, and said that the U.S. has learned a lot from Pakistan over the past several years and would like to support Pakistan's holistic approach to the problem. President Bush's biggest frustration, Negroponte said, is that funding for the tribal areas is not being delivered faster.

Rebuilding the "Trust Deficit" With Afghanistan

¶9. (C) Aziz told Negroponte that more could be done on the Afghan side of the border to control the Taliban and al Qaeda. Pakistan sees them as a threat because they are looting Pakistan's own people. "We are engaging the enemy head on," Aziz said, "but the game of hide and seek will continue unless Afghan stakeholders emerge to help control them." Afghanistan's skyrocketing drug production is the biggest fuel for global terror, he added.

¶10. (C) While his government has good relations with Afghanistan's President Karzai, they are frustrated at the Afghan government's failure to take action against "criminals." (Note: The "criminals" are presumably Brahamdagh Bugti and Baloch Marri, two Baloch nationalists whom the GOP

would like extradited back to Pakistan. End Note.) They have obtained fake Afghan passports and have traveled to Delhi, India and back to Afghanistan, Aziz said. They are now living in close proximity to Karzai's residence, Aziz continued, and the Afghan government has yet to take action against them. At this point, there is a clear need to rebuild the "trust deficit" with Afghanistan, Aziz said.

Pakistan Wants Help In Meeting Growing Energy Demands

¶11. (C) Aziz said that demand for energy is growing quickly and that Pakistan is struggling to meet those needs. One source is Iran -- and Pakistan has just signed a memorandum of understanding to increase its imported electricity from Iran from 100 megawatts to 1,000 ("out of acute desperation,"

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Aziz said, "because they are unreliable suppliers."). Pakistan is also talking to Tajikistan about electricity imports and Turkmenistan about gas. Aziz added that dealing with Turkmenistan has been frustrating because the government has not been able to give potential investors a clear idea of the level of gas reserves in the country and because Gazprom has discouraged outside interest in the reserves.

¶12. (C) Aziz asked that the U.S. consider assistance in developing Pakistan's civilian nuclear capacity (a civilian-run nuclear reactor could even be operated by a foreign investor, he said). Pakistan's coal reserves also need to be developed, he said. Negroponte replied that the U.S. may be able to provide assistance in the way of clean coal or coal gasification technology.

¶13. (U) The Deputy Secretary's staff has cleared this message.

PATTERSON